

Statement of Rod Moore
West Coast Seafood Processors Association
before the
Committee on Commerce, Science & Transportation
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Mr. Chairman, members of the Committee, my name is Rod Moore. I am the executive director of the West Coast Seafood Processors Association. WCSPA represents seafood processors and associated businesses in Oregon, Washington, and California. Collectively, our members process the majority of the Pacific groundfish, Dungeness crab, pink shrimp, squid, and sardines landed in those states. I also currently serve as the chair of the Pacific Fishery Management Council's Groundfish Advisory Subpanel and as Industry Vice-Chair of the Department of Commerce's Marine Fisheries Advisory Committee (MAFAC).

When looking at the groundfish "disaster" on the west coast, there is a natural tendency to compare it to events that occurred in the northeastern United States over the past several years. There are similarities: the social and economic effects are certainly the same and the remedies sound familiar. However, the underlying problems that caused the "disaster" are somewhat different.

New England has been blessed with a strong scientific establishment, a wealth of historic data on fish populations and environmental conditions, and support - albeit recent - for cooperative research (there are advantages to being close to Washington, D.C.). On the west coast, however, we have been in the scientific Dark Ages, still using witchcraft to try to predict what is happening in a complex ecosystem. It is time for the Renaissance to begin.

Of the 82 species of Pacific groundfish managed under the Pacific Fishery Management Council's groundfish fishery management plan, we have stock assessments on fewer than 25%. Most of those assessments are conducted once every three years; for some species, there has been only one assessment and for most, none. Our fisheries surveys have been conducted every three years and most of those did not cover the entire coast. In fact, the area south of Point Conception in California has never been surveyed to the best of my recollection. While efforts have been made recently to conduct annual surveys, the results of those annual efforts are still not fully utilized, as there is a need to reconcile different survey methods, gear, and vessels used.

The result is that we are making management decisions based on conditions that existed in the ocean five to ten years ago.

Just to give an example, the allowable harvest levels for Dover sole in 2001 are based on a stock assessment done in 1998, which in turn used data from 1997 and before. Now, compound this with the occurrence of El Nino and La Nina events and what appears to be a shift in ocean environmental regimes, and the result is that we don't really have the slightest idea of what we are doing.

Of course, the management response to this tremendous uncertainty is to use a precautionary approach, to be conservative in response to a lack of good information. In practical terms, reduce harvest levels.

And, to further confuse the problem, add in a decision by the Council to change its basic harvest policy in terms of how MSY is calculated and statutory changes which were both written and implemented in a way that defies logic and you have a true recipe for "disaster."

What's even more amazing is that this "disaster" occurred in a fishery that has been subject to fairly strict management and in which harvest levels were set based on the recommendations of the

scientists themselves. Here is where there is a major divergence from the situation in New England, which for many years had no upper bounds on its harvest levels, no catch reporting, and little enforcement and where - some contend - scientific advice was ignored. On the west coast, we tried to do things right.

So what are the practical effects of what's gone on? Reduced harvests means lower income for vessels and the communities in which those vessels are based. It means vessels will attempt to find other fisheries in which to participate, risking a domino effect of overcapitalization. It means social and economic burdens that others can better describe than can I.

Reduced harvests also affect seafood processors; my members, who are an integral part of the communities in which they operate. Workers are laid off; capital investments are kept idle. Utility usage - lights, water, and power - is reduced, exacerbating pricing structure problems for local utility companies and their residential consumers.

Our Association took an informal survey of our members, asking them to compare certain economic yardsticks between 1997 and 2000. The complete results are not yet available, but the information we have so far is both interesting and chilling:

- < a 7% reduction in the number of filleting stations available;
- < a 44% reduction in the number of available filleting stations used;
- < a 20% increase in the average cost to produce finished groundfish product;
- < a 34% reduction in the number of skilled employees; and
- < a 14% reduction in the number of unskilled employees.

And, while this is looking only at groundfish processing, you need to keep in mind that the same plants that process groundfish also process crab, shrimp, and other species. If those plants disappear, it will not only be the groundfish fleet that has no place to go, it will be the crab fleet and the shrimp fleet as well. Groundfish is the keystone that holds the west coast fishing community together. Take it away,

and everything collapses.

So what do we do to try and improve conditions? There are so many things that can and should be done, it's hard to know where to begin. Some of the problems can be addressed by NMFS, some by the Congress, some by the States, and some by the industry. I will try to list them here:

1. Expend more effort on understanding ocean environmental processes.

NOAA has a long term research effort to examine ocean conditions and their effect on fish productivity, known as GLOBEC. On the east coast, GLOBEC is looking at groundfish; in Alaska, GLOBEC is looking at groundfish; and on the west coast? GLOBEC is looking at *salmon*. Now, there is certainly need to look at the effect of ocean productivity on salmon, but to tally ignore Pacific groundfish? This makes no sense whatsoever. Perhaps we could actually save a few taxpayer dollars if we combined Pacific groundfish into the mix.

2. Get serious about collaborative research between the industry and NMFS.

Last summer, a professor from Oregon State University hosted an international meeting on collaborative research. At the meeting, I volunteered on behalf of the Oregon seafood industry to propose a process by which NMFS and the industry could evaluate collaborative research projects so that we could all be comfortable that projects being proposed were necessary, cost effective, and would not waste scarce research dollars. That proposal was submitted to NMFS on August 1, 2000. To date, we have received some favorable initial response from the Northwest Fisheries Science Center, but other than that - *nothing*. As far as we know, the proposal - and again, this was a proposal simply to establish a review process - is languishing somewhere in the bowels of Silver Spring. Mr. Chairman, how can the industry expect to have any confidence in working with NMFS if we get treated like this? Many of us have volunteered time, money, and labor to see if we can get some more useful data. We get lots of praise for doing so, but little ever gets done. It's time for NMFS to be

serious about collaborative research; they can't afford not to be.

3. Rectify the tremendous imbalance between spending on salmon recovery and spending on groundfish conservation and management.

I've already given you the horror stories on lack of data; some of you have heard it before. I don't mean to impugn those interested in salmon, but a nearly 1000 - 1 ratio of spending on salmon recovery versus spending on groundfish conservation and management is embarrassing. As one of my members put it, for the amount we're spending on salmon recovery in the Columbia/Snake system, we could *dig* a whole new river, free of dams, pollution, etc. It is only in the last few years that we have seen even meager increases in the groundfish research budget, thanks to the work of the Oregon delegation. The Congress and the new administration need to get their priorities straightened out.

4. Show us the money.

In FY 2000, \$5 million was appropriated in emergency funding for groundfish disaster relief. We have yet to see a penny of it. If this were a flood or a hurricane or a tornado, Oregon, Washington, & California would be swarming with bureaucrats from FEMA, SBA, and who knows where else. Instead, we are met with deafening science while real people needs go unmet.

5. Improve data collection.

On the "good news" front, the Northwest Fisheries Science Center should be commended for pursuing efforts to develop electronic logbooks and reporting systems. The Center is also taking steps to improve its collection and analysis of economic and social data, an area in which this region is lacking. Unfortunately, those efforts will be for naught unless follow-through funding is made available.

On the "bad news" front, it is time to start fixing data collection problems. I am tired of getting calls from my member plants asking why there are seven data samplers hanging around to collect salmon

data, but no one ever comes around to collect groundfish data. I'm tired of hearing from the Oregon Department of Fish and Wildlife that "we've got federal money for salmon data collection but none for groundfish." And I'm very tired of listening to discussions before the Groundfish Management Team and the Council every year on how the recreational catch data is unreliable and "we can't do any in-season management" of the recreational fishery. Recreational fishermen are as concerned as commercial fishermen about sound conservation and management. NMFS, the States, the Council, and the Pacific Marine Fisheries Commission need a concerted effort to get their act together.

6. Fix the law so it reflects reality

This suggestion is in two parts: biological and economic. From the biological perspective, the entire complex of overfishing / rebuilding provisions needs to be modified. You can't simultaneously "recover" two or more species that compete for the same ecological niche. You can't "recover" a stock to levels that are no longer supported by existing carrying capacity. You can't precisely calculate MSY and establish it as a constant, fixed point, with no allowance for natural fluctuation. Yet that's what the law and the implementing regulations expect us to do. Our Association, along with several other groups of commercial and recreational interests around the country, developed some proposed changes to the Magnuson-Stevens Act which address these problems. They are included as an attachment to my testimony.

On the economic side, you will hear from representatives of the harvesting sector on the need for and suggestions on how to accomplish a vessel and permit buyback program. While that will help resolve some of the problems facing the harvesting sector, it does nothing to address the other half of the fisheries equation - the processing sector.

At some point, this committee needs to address the long term issue of an individual quota (IQ) system. An essential part of any IQ system will be a need to recognize the investments made by processors and to keep them economically viable. This can be done in a number of ways: the "two-pie" proposal advocated by the Bering Sea crab fleet; a means of establishing cooperatives such as was provided for the Alaskan pollock fleet under the American Fisheries Act; creating a closed class of processors such

as we suggested in conjunction with the fixed gear sablefish fishery on the west coast. All of these ideas must be on the table. Simply providing for the economic welfare of the fishing fleet while leaving the processing sector in economic disarray is not going to solve the problem.

7. Get serious on free trade

One of the few alternatives available to groundfish trawl vessels is the pink shrimp fishery. The shrimp found off our coast - *Pandalus jordani* - compete in the marketplace with other cold water shrimp - *Pandalus borealis* - caught in Canada and Scandinavia. We used to have a competitive market in Europe for our shrimp. However, after certain Scandinavian countries joined the European Union, we found that their shrimp could enter Europe at a duty rate of 7%, while our shrimp enters at a duty rate of 20%. To make matters worse, eastern Canada has enjoyed several successive years of high shrimp harvests. While Canada was initially able to take advantage of a special exception for a certain amount of their shrimp to enter Europe at a reduced duty, that quota is now being filled by Iceland and Greenland, leaving Canadians no choice but to put their shrimp in the U.S. market. Thus, the discriminatory tariff practices of the European Union threaten not only one, but two markets available for west coast pink shrimp. Perhaps when the new U.S. Trade Representative comes before the Senate for confirmation, the urgency of resolving the European shrimp issue could be stressed.

I hope this testimony and these suggestions will be helpful to the committee. I would be happy to answer any questions. Thank you.

CHANGES TO THE MAGNUSON-STEVENS ACT
PROPOSED BY THE SEAFOOD COALITION

BEST SCIENTIFIC INFORMATION AVAILABLE

Section 3 (16 U.S.C. 1802) is amended by inserting a new paragraph () as follows:

“() The term ‘best scientific information available’ means information that—

“(A) is directly related to the specific issue under consideration;

“(B) is based on a sufficient statistical sample such that any conclusions drawn are reasonably supported and not mere speculation;

“(C) is consistent with information that has been peer-reviewed and published in applicable and appropriate scientific publications;

“(D) has been collected within a time frame that is reasonably related to the specific issue under consideration;

“(E) is consistent with information that is available from other reliable sources;

“(F) has been collected and presented in a manner that is not calculated to favor any particular point of view; and

“(G) may consider, but is not based exclusively on, anecdotal information collected from the harvesting and processing of fish.

“Information that does not meet this definition shall not provide the basis for fishery management decisions and shall not be accorded deference during judicial review.”

PEER REVIEW

Section 302(g) (16 U.S.C. 1852(g)) is amended by adding the following -

“(6) Each Council shall establish one or more scientific review committees to conduct peer reviews of all stock assessments prepared for fisheries under the Council’s jurisdiction. Committees established under this paragraph shall, at a minimum, consist of at least one member from each of the

committees established under paragraphs (1) and (3) of this subsection, one member who is not affiliated with the authors of the stock assessments under review, and such other members as the Council considers appropriate.”

Section 302(h) (16 U.S.C. 1852(h)) is amended -

- 1) by striking “and” at the end of paragraph (5);
- 2) by redesignating paragraph (6) as paragraph (7); and
- 3) by inserting the following -

“(6) conduct a peer review of any stock assessment prepared for a fishery under its jurisdiction, utilizing the committee established under subsection (g)(6); and”

ESSENTIAL FISH HABITAT

Section 3 (16 U.S.C. 1802) is amended by inserting a new paragraph () as follows:

“() The term “habitat areas of particular concern” means an area that is a discrete vulnerable subunit of essential fish habitat that is required for a stock to sustain itself and which is designated through a specified set of national criteria which includes, at a minimum, a requirement that designation be based on information regarding habitat-specific density of that fish stock, and growth, reproduction, and survival rates of that stock within the designated area.”

Section 303(a)(7) (16 U.S.C.(a)(7)) is amended to read as follows:

“(7) describe and identify essential fish habitat and habitat areas of particular concern for the fishery based on the guidelines established by the Secretary under section 305(b)(1)(A), minimize to the extent practicable adverse effects on habitat areas of particular concern caused by fishing which prevent a stock of fish from sustaining itself on a continuing basis, and identify other actions to encourage the conservation and enhancement of such habitat.”

Section 305(b)(1) (16 U.S.C. (b)(1)) is amended by inserting “and habitat areas of particular concern”

following “essential fish habitat” each time it appears in subparagraphs (A) and (B).

OVERFISHING / REBUILDING

Section 3 (16 U.S.C. 1802) is amended—

(1) by amending paragraph (29) to read as follows:

“(29) The terms ‘overfishing’ and ‘overfished’ mean a rate or level of harvest that jeopardizes the ability of a stock of fish to produce maximum sustainable yield on a continuing basis.”; and

(2) by inserting the following:

“() The term ‘carrying capacity’ means the maximum population level of a stock of fish that the current state of the environment will support while allowing for the removal of surplus production.”

“() The term ‘maximum sustainable yield’ means the largest annual catch or yield in terms of weight of fish caught by both commercial and recreational fishermen that can be continuously taken from a stock under existing carrying capacity, and which is adjusted as carrying capacity changes.”

“() The term ‘surplus production’ means the biomass of fish that can be removed from a stock of fish without harming the stock’s ability to sustain itself.”

Section 304(e) (16 U.S.C. 1854(e)) is amended—

(1) in paragraph (1) —

(A) by striking “(1)” and inserting in lieu thereof “(1)(A)”;

(B) by striking “fisheries” each time it appears and inserting in lieu thereof “stocks of fish”;

(C) by amending the last sentence to read as follows—

“A stock of fish shall be classified as approaching a condition of being overfished if, based on the best scientific information available and other appropriate factors, the Secretary estimates that the stock of fish will become overfished within two years.”; and

(D) by adding at the end the following—

“(B) If the Secretary determines that insufficient information is available on which to conclude that a stock of fish is approaching a condition of being overfished, the Secretary shall immediately notify the appropriate Council and within six months of such notification implement a cooperative research program designed to provide the information needed to determine whether or not the stock of fish is approaching a condition of being overfished.”;

(2) by amending paragraph (2) to read as follows—

“(2) If the Secretary determines at any time that a stock of fish is overfished, the Secretary shall immediately notify the appropriate Council and request that action be taken to end overfishing and to implement conservation and management measures to rebuild the stock of fish. In the case of a fishery which harvests more than one stock of fish, such conservation and management measures shall not require that fishing be reduced for those stocks of fish which are not overfished. The Secretary shall publish each notice under this paragraph in the Federal Register.”;

(3) in paragraph (3)--

(A) by striking “Within one year” and inserting in lieu thereof “Within three years”; and

(B) in subparagraph (A) by striking “to end overfishing” and inserting in lieu thereof “to address overfishing”;

(4) in paragraph (4) —

(A) by striking “For a fishery that is overfished” and inserting in lieu thereof “For a fishery involving a stock of fish that is overfished”; and

(B) by amending subparagraph (A) to read as follows—

“(A) specify a time period for addressing overfishing and rebuilding the overfished stock or stocks in the fishery that is as short as possible, taking into account the status, biology, and carrying capacity of any overfished stocks, the best scientific information available, the needs of fishing communities, recommendations by international organizations in which the United States participates, and the interaction of the overfished stock or stocks within the marine ecosystem.”;

(5) in paragraph (5)--

(A) by striking “within the one-year period” and inserting in lieu thereof “within the three year period”;

(B) by striking “that a fishery is overfished” and inserting in lieu thereof “that one or more stocks of fish in a fishery are overfished”; and

(C) by striking “regulations to stop overfishing” and inserting in lieu thereof “regulations to address overfishing”;

(6) in the second sentence of paragraph (6), by striking “to stop overfishing of a fishery” and inserting in lieu thereof “to address overfishing of a stock or stocks of fish in a fishery”;

(7) in paragraph (7)--

(A) in the first sentence by inserting “and the best scientific information available related to the fishery management plan, plan amendment, or regulations” before “at routine intervals”;

(B) in the second sentence by striking “ending overfishing” and inserting in lieu thereof “addressing overfishing, sufficient data collection,”;

(C) by striking “or” at the end of subparagraph (A);

(D) by striking the period at the end of subparagraph (B) and inserting “; or”; and

(E) by adding a new subparagraph as follows—

“(C) design and implement a cooperative program to collect the best scientific information available for such fish stocks.”.

FISH AS FOOD

Section 2(a) (16 U.S.C. 1801(a)) is amended by adding the following:

“(11) Fish are an important natural renewable resource of food and fisheries have played a traditional and essential role in providing high quality protein for human use.

“(12) Fish are an important source of essential nutrients, particularly Omega-3 fatty acids, and there is agreement among medical scientists that some of the world’s most serious diseases can be attenuated by increased fish consumption.”

Section 2(b) (16 U.S.C. 1801(b)) is amended —

- (1) by striking “and” at the end of paragraph (6);
- (2) by striking the period at the end of paragraph (7) and inserting “; and”; and
- (3) by adding at the end the following:

“(8) To promote fisheries conservation and management that will enhance our nation’s food supply, income, and economic growth.”

Section 2(c) (16 U.S.C. 1801(c)) is amended—

- (1) by striking “and” at the end of paragraph (6);
- (2) by striking the period at the end of paragraph (7) and inserting “; and”; and
- (3) by adding at the end the following:

“(8) that conservation and management measures shall contribute to the food supply, economy, and health of the Nation.”

OBSERVERS

Section 303(a) is amended -

- 1) by striking “and” at the end of paragraph (13);
- 2) by striking the period at the end of paragraph (14) and inserting “; and”; and
- 3) by adding the following -

“(15) to the extent that observers are deployed on board United States fishing vessels or in United States fish processing plants under the provisions of a fishery management plan or regulations implementing a fishery management plan, comply with the goals and objectives required under subsection (e).”

Section 303 is further amended by adding the following -

“(e) OBSERVER PROGRAMS.--

“(1) Prior to establishing a program under this Act which utilizes observers deployed on United States fishing vessels or in United States fish processing plants, the Council with jurisdiction over the fishery (or in the case of a highly migratory species fishery, the Secretary) in which the observers will be deployed shall establish a set of goals and objectives and an implementation schedule for the program and a statistically reliable method for achieving the goals and objectives.

“(2) The goals and objectives required under paragraph (1) shall ensure equity among the various harvesting and processing sectors in the fishery; shall ensure that the costs of the program are appropriately shared by all beneficiaries, including participants in other fisheries; and shall ensure that those fishing vessels and processing plants where observers are deployed are not put at a disadvantage with respect to other harvesters or processors in that fishery or in other fisheries.

“(3) No observer program may be established until the provisions of paragraphs (1) and (2) are met.”

CUMULATIVE IMPACTS

Section 301(a)(8) (16 U.S.C. 1851(a)(8)) is amended to read as follows —

“(8) Conservation and management measures shall, consistent with the conservation requirements of this Act (including the prevention of overfishing and rebuilding of overfished stocks), take into account the importance of fishery resources to fishing communities, and the cumulative economic and social impact of fishery conservation and management measures on such communities, in order to (A) provide for the sustained participation of such communities, and (B) to the extent practicable, minimize adverse economic impacts on such communities.”

OPTIMUM YIELD CAP

Section 3(28(B) (16 U.S.C. 1802(28)(B)) is amended by striking “reduced” and inserting in lieu thereof “modified”.

EFFECT ON FISHING

Section 305(b)(2) (16 U.S.C. 1855(b)(2)) is amended—

1) by striking the period at the end of the subparagraph and inserting “; or”;

2) by inserting “(A)” following “any action”; and

3) by adding the following—

“(B) authorized, funded, permitted, or undertaken, or proposed to be authorized, funded, permitted, or undertaken, by such agency that may adversely affect the catching, taking, harvesting, or processing of fish in any fishery managed under this Act.”